provides for promotion of clusters of small scale and tiny units, and to promote stronger linkages between agriculture and industry by way of creation/upgradation of infrastructural facilities in the new/existing centres/industrial areas and to create employment opportunities and develop exports. The Central Government provides grant upto Rs. 2 Crores and Small Industries Development Bank of India provides term loan upto Rs. 3 Crores for each Centre. An IID Centre is expected to accommodate about 450 units.

(d) The Government has sanctioned a total of 32 Projects till date in various states including eight projects which were sanctioned only in May, 1997. The Projects are at various stages of implementation.

(e) The IID Scheme is designed not only to meet the need of infrastructural facilities for the new units, but also aims at upgrading existing infrastructural facilities like power, water, communications, common service facilities including technology backup services, etc. in the industrial areas/existing centres.

Non-banking Financial Companies

*255. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) the number of non-banking financial companies which have got themselves registered with the Reserve Bank of India and the number of NBFCs whose net worth is above and less than Rs. 1 crore;

(b) whether Indian and foreign banks in the country have decided not to provide any service to unregistered NBFCs;

(c) if so, the details in this regard and the reasons therefor;

(d) the total estimated financial liability of NBFCs registered with RBI also of those which are unregistered;

(e) the number of depositors who are likely to be affected therefrom; and

(f) the steps taken by the Government to deal with the situation in case of default in payment by NBFCs and for helping the depositors?

THE FINANCE MINISTER (SHRI P. CHIDAMBARAM): (a) Prior to amendment to Reserve Bank of India (RBI) Act, 1934 on 9-1-1997, there was a scheme of voluntary registration with RBI by Non Banking Financial Companies (NBFCs) with net owned fund (NOF) of Rs. 50 lakhs and above. Under that scheme 852 NBFCs got themselves registered. There were more than 40000 NBFCs on the mailing list out of which about 10,000 companies were reporting to RBI. As per the statements filed with RBI as on 31st March, 1996, there were about 1441 NBFCs with NOF of Rs. 1 crore and above and the rest have NOF less than Rs. 1 crore each.

Under the provisions of Section 451A of the amended RBI Act all NBFCs including those mentioned above, were required to apply for reregistration with RBI on or before 8th July, 1997. According to RBI, 37,478 applications for registration have been received from NBFCs.

(b) and (c) RBI have reported that they have not so far issued any instructions to the banks in this regard.

(d) and (e) As on 31st March, 1996, based on the statements filed by reporting NBFCs with RBI, their regulated deposits amounted to Rs. 35,795 crores of which Rs. 11,155 crore were public deposits. The exact number of depositors with NBFCs is not known to RBI.

(f) In case of default of payments by NBFCs, the depositors can lodge their complaints with Company Law Board in terms of Section 45QA(2) of RBI Act. In case of persistent defaults, RBI may also, if need be, file a winding up petition in the High Court under the provisions of Section 45MC of the RBI Act, if the company is inter-alia, unable to pay its debts.

[Translation]

Industrial Sickness

*256. SHRI PARASRAM BHARDWAJ:

SHRI MANIKRAO HODLYA GAVIT:

Will the Minister of INDUSTRY be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned "Sick Companies losses total Rs. 23,000 crores" appearing in the 'Pioneer' dated July 11, 1997;

(b) if so, the facts of the matter reported therein;

(c) the number and details of Public Sector and Private Sector sick companies which are registered with the Board for Industrial and Financial Reconstruction (BIFR);

(d) the total losses suffered by them during each of the last two years;

(e) the total amount of capital investment made therein;

(f) the total number of employees affected as a result thereof; and

(g) the steps taken by the Government to remedy the situation?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) Yes, Sir.

(b) to (f) According to the 'Performance Review, 1996' of the Board of Industrial and Financial Reconstruction (BIFR), the number of sick units registered with the Board is 1853. Of these, 145 units belong to public sector undertakings (61 Central Public Sector Undertakings and 84 State Public Sector Undertakings).

The total number of workers involved in sick industrial units registered with the Board (excluding those dismissed as non-maintainable) is 11,83,432. The total networth of these companies is Rs. 8,981 crore.

(g) Government has taken a number of steps for revival of industrial sickness which, inter-alia, include, guidelines of Reserve Bank of India to banks, amalgamation of sick units with healthy units, setting up of Board for Industrial and Financial Reconstruction under Sick Industrial Companies (Special provisions) Act, National Renewal Fund, National Equity Fund, etc.

[English]

Strategy for Industrial Growth

*257. SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA:

SHRI G.A. CHARAN REDDY:

Will the Minister of INDUSTRY be pleased to state:

(a) whether concerned over the decline in the industrial growth, he has begun a series of meetings with various sector specific groups to evolve a strategy for revitalising the growth;

(b) if so, whether he has already completed discussions with the representatives of paper and cement industry;

(c) if so, the main problems pointed out by these representatives;

(d) the extent to which the Government have agreed to provide assistance to industries to overcome the difficulties; and

(e) to what extent this type of exercise has helped the Government as well as the industry in improving the industrial production?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Yes, Sir.

(c) and (d) The main problems pointed out by the cement industry included high incidence of tax, infrastructural constraints as well as the problem of compulsory jute package order. In case of paper, the main problems indicated were inadequate availability of raw materials, technological obsolence, infrastructural constraints and dumping by foreign suppliers. Ministry of Industry has taken up some of these issues with the concerned Ministries.

(e) Government-industry inter-action facilitates improved production.

Modernisation of Handloom Sector

*258. DR. ASIM BALA:

SHRI MADHUKAR SARPOTDAR:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government have prepared any plan for modernisation of handloom sector during 1997-98;

(b) if so, the details of the project package scheme prepared for the purpose;

(c) by when the scheme is likely to be implemented; and

(d) the details of the additional incentives likely to be provided to handloom weavers?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) Modernisation of Handloom Sector is a continuous process. The Government have been taking a number of measures through various ongoing Schemes to modernise the sector.

(b) The Project Package Scheme, which has been modified recently, envisages, inter-alia, requisite assistance for provision of new/modern looms, modernisation of obsolete looms, conversion of existing looms to commercial/improved looms, provision of accessories & product adaptation/development.

(c) The Project Package Scheme has been continued during 1997-98.

(d) The additional incentives under the new Project Package Scheme are for requisite support in regard to modernisation of looms/accessories, provision of inputs and infrastructure development to augment production and marketing.

Amendment in Contract Act

*259. SHRI ANNASAHIB M.K. PATIL: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether attention of the Government has been drawn to the news item captioned "Amendments in contract Act flayed", appearing in the Hindustan Times dated May 31st, 1997;

(b) if so, the details thereof; and

(c) the corrective measures proposed to be taken by the Government to ensure that industrial and trading activities are not adversely affected as a result thereof?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) and (b) Yes, Sir.

(c) Some representations have been received against the amendment undertaken in the Indian Contract Act, 1872. These would be examined and the corrective measures will be taken if considered necessary.

Asian Development Bank Assistance

*260. SHRI R. SAMBASIVA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether India's infrastructure development in the